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## Before the UNITED STATES COPYRIGHT ROYALTY JUDGES Library of Congress Washington, D.C.

In re

Determination of Royalty Rates and Terms for Making and Distributing Phonorecords (Phonorecords IV) Docket No. 21-CRB-0001-PR (2023–2027)

GEORGE JOHNSON'S ("GEO") AMENDED SUBPART C PROPOSAL AND RESPONSE TO CRB ORDER 65 REQUESTING ADDITIONAL BRIEFING ON RATE-SETTING FOR ALL RESTRICTED DOWNLOADS AND 37 C.F.R. § 385.2 ELIGIBLE LIMITED DOWNLOADS, WITH POSSIBLE REPEAL OF "FREE" UNLIMITED OFFLINE LISTENING DOWNLOAD LOOPHOLE OR NEW RATES FOR PAID PERMANENT, PLUS ADD "LIKE" COLA

Participant George Johnson ("GEO"), a pro se Appellant songwriter, DIY self-publisher, and copyright author respectfully submits his amended Subpart C rate-setting proposal and response to the Judges' January 5, 2023, Order 65 Requesting Additional Briefing From Participants¹ regarding rate-setting activity for various Subpart C "Restricted Download" configurations, including the 37 C.F.R. § 385.2 "Eligible Limited Download", et al., and rate-setting proposed by GEO in his

<sup>&</sup>lt;sup>1</sup> <u>https://app.crb.gov/document/download/27413</u> January 5, 2023, *Order 65 Requesting Additional Briefing From Participants* on "unlimited limited download", pursuant to §385.2.

<sup>&</sup>lt;sup>2</sup> https://app.crb.gov/document/download/27410 December 30, 2022, Subpart C Final Rule. 87 Fed. Reg. 80448 (Dec. 30, 2022) "Restricted Download" quote from CRB ruling. "Restricted Downloads have been defined as any downloads that are not permanent, including Eligible Limited Downloads. However, past regulations (and seemingly those set forth in the Settlement) do not provide a rate for Restricted Downloads."

October 16, 2021 Written Direct Statement ("WDS")<sup>3</sup>, and March 16, 2022 Amended WDS<sup>4</sup>. GEO also proposes a "like" Subpart B Cost of Living Adjustment ("COLA") indexing (and "non-static" adjustment) to all Subpart C Downloads. The "Parties"<sup>5</sup> in this proceeding, who proposed the most recent Subpart C Settlement, are also the majority of the exact same "older" Parties and same 3 "self-dealing"<sup>6</sup>, vertically integrated Record Company Participants' ("RCP"), including RCP counsel Mr. Steve Englund, that created and first proposed the "Limited Download" aka. the free

<sup>&</sup>lt;sup>3</sup> https://app.crb.gov/document/download/26349 October 16, 2021, GEO's Amended Written Direct Statement and Testimony (Corrected). Originally submitted October 11th and 15th.

<sup>&</sup>lt;sup>4</sup> https://app.crb.gov/document/download/26349 March 16, 2022, GEO's Amended Written Direct Statement proposal for "limited downloads" pursuant to §385.2. Page 14 "II. Proposed Terms" "(1) Abolish unlimited, limited downloads with no sale" and in exchange for permanent download. (Also See "Background" on Page 19, No. 1.) "plugging the free unlimited "limited download" loophole that lets the Services and 3 foreign corporations give away billons of songs with no payment". I would amend "millions of songs, billions of sales".

The "Parties" consist of lobbyists National Music Publishers' Association ("NMPA") and Nashville Songwriters Association International ("NSAI,"), who represent the 3 major record labels Universal Music Group ("UMG"), Warner Music Group ("WMG"), and Sony Music Entertainment ("SME") on the one hand, and Amazon.com Services LLC, Apple Inc., Google LLC, Pandora Media, LLC and Spotify USA Inc., also represented by lobbyist the Digital Music Association ("DiMA") (collectively, the "Service Participants" or the "Services") on the other hand — (NMPA, NSAI, RIAA, DiMA, the 3 major record labels and the Service Participants, hereafter, the "Parties"). In 1998, all of the above "Parties" (including Harry Fox Agency ("HFA") since it was owned by NMPA in 1998) created this royalty rate structure for their advantage over their own songwriters, all other music publishers, record labels, and have managed it for their self-interests via §385 Regulation Submissions throughout 4 Phonorecords rate proceedings essentially writing their own law.

<sup>&</sup>lt;sup>6</sup> March 30, 2022 — CRB Declination of the Proposed Subpart B Settlement — "Conflicts of Interest" — "Vertical integration linking music publishers and record labels raises a warning flag. No party opposing the present settlement has evinced actual or implied evidence of misconduct, other than the corporate structure of the record labels on the one hand and the publishers on the other. While corporate relationships alone do not suffice as probative evidence of wrongdoing, they do provide smoke; the Judges must therefore assure themselves that there is no fire. The potential for self-dealing present in the negotiation of this proposed settlement and the questionable effects of the MOU are sufficient to question the reasonableness of the settlement at issue as a basis for setting statutory rates and terms." March 30, 2022, Federal Register Vol. 87, No. 61 (18348)

unlimited "offline listening" download in their 2001 "Settlement". It's definitely no coincidence that this self-dealing to maintain a "zero rate" for what is a legitimately paid download through 22 years of Settlements takes legal expertise, and is misconduct to any reasonable person. It's still illegal price-fixing by stealing competitors' sales, weaponizing the license at a zero rate to keep their access model grip, sabotaging our sales, not just innocently set a 9.1 cent compulsory rate.

GEO respectfully submits that *all* Restricted Downloads, §385.2 Eligible Limited Downloads, even Subpart C "DPD" configurations, et al., must *have known rates*, since *zero is not a rate* and brazenly infringing on our basic phonorecord reproduction & distribution rights we *thought were protected*. These are *all* paid Permanent Downloads. GEO respectfully requests Your Honors for clarity as to rate-setting for *all* restricted and incidental downloads, §385.2 eligibles, et al., and repealing or amending specific flawed, harmful, or illegal regulations in the Parties' previous or new Subpart C Settlement. GEO calls offline downloads "unlimited" since Spotify<sup>9</sup> offered free "10,000 downloads", then later ran ads offering free "unlimited" downloads for "offline listening", but it's not streaming, it's a downloads.

<sup>&</sup>lt;sup>7</sup> 2001 Joint Proposal and Agreement by NMPA, RIAA and Harry Fox Agency. December 6, 2001, signed by RIAA counsel Mr. Stephen Englund and NMPA/HFA counsel Carey Ramos.

<sup>8</sup> https://community.spotify.com/t5/Community-Blog/Save-save/ba-p/4963349 Exhibit C — 2020-06-28, "...latest Spotify update that allows an unlimited quantity of downloads." "We removed the limit for how many songs you can have saved in the Your Library tab."

<sup>&</sup>lt;sup>9</sup> https://community.spotify.com/t5/Android/How-to-download-unlimited-songs-as-a-premium-user/td-p/4985664 Since 2014 Spotify subscribers could download 10,000 "tracks" or 10,000 free "eligible limited downloads", which Spotify unilaterally changed to "unlimited downloads", aka. unlimited "eligible limited downloads". Note: "Unlimited songs" is another term Spotify uses, not to be conflated with Amazon's "unlimited access" on their websites, or "play 100 million songs" by Apple that still allows 100,000 free downloads.

# JUST AS IN THE NEW SUBPART B DOWNLOAD COLA INDEXING RULING (& ADJUSTMENT), SHOULDN'T THERE ALSO BE A SUBPART C COLA INDEXING FOR ALL RESTRICTED AND ELIGIBLE LIMITED DOWNLOADS? PROMOTIONAL DOWNLOADS, DPDs, INCIDENTAL DPDs, AND OFFLINE LISTENING DOWNLOADS TOO?

The other issue that seems equally as important as any possible first time rate-setting for *all* Restricted and Eligible Downloads, is where is the "like" Subpart B type Cost of Living Adjustment ("COLA") indexing for all Subpart C Downloads<sup>10</sup>, including Restricted and Eligible Downloads?

As a layman, any no COLA indexing for both Subpart C Restricted and Eligible Downloads would seem to be arbitrary and capricious, or a possible due process issue, considering the recent pro COLA indexing ruling by the CRB for all like Subpart B Downloads, here in this same proceeding. Download to Download.

And while it may seem inconsequential to the Parties, or a *de minimis* throwway, there has also never been a COLA indexing, nor a rate, to the 20-25 year old Limited Download<sup>11</sup> which I think still exists, but now dormant under the Restricted Download, oddly separated from the new §385.2 Eligible Limited version.

The Limited Download may be GEO's path to a paid Offline Download?

There has also never been a COLA for Promotional Downloads nor the rateless Digital Phonorecord Delivery ("DPD") by itself, which then again may

<sup>&</sup>lt;sup>10</sup> For clarity, it seems there are 3 primary Subpart C download definitions or categories that exist side by side which are; 1. Eligible Limited, 2. Restricted, and 3. Permanent. It seems only Eligible and Permanent exist in the MMA regulations. While Promotional are named "offerings", they are still a *rateless* DPD Download, and a use, and another *free use*.

<sup>&</sup>lt;sup>11</sup> Since the original Limited Download may also still exist under Restricted Downloads, this is what GEO may need to "convert" or "set a rate" to a paid permanent download rate for paid offline listening downloads? I'm not sure yet but it might a way to accomplish this?

already have a "benchmark" rate, but as a Subpart B penny rate Permanent Download? GEO realizes these is not the main rate setting activity, but possible?

Lastly, while the Parties titled it "incidental", there has also never been a COLA, nor a first time rate ever set for the also rateless, static, and "incidental" DPD, which still seems to legally exist somewhere as well.

While the lack of COLA inflation indexing for Subpart C eligible interactive streaming is not the subject of this briefing, (and GEO prays it might be after this one) and while there was a Subpart B pro COLA Download indexing, the Parties might argue that the new no COLA "ruling" for Subpart C for "like" eligible interactive streams is now somehow "rate court precedent", which might mean a no COLA indexing for like §385.2 eligible limited downloads, however;

- a.) This may not be the case, just a Subpart B Download to C Download.
- b.) It's still a final rule and not a final determination as of the moment,
- c.) Subpart C Download rate-setting is *currently at issue* in this briefing,
- d.) Most important, the Judges had no choice but to accept the Parties' self-dealing proposed "voluntary settlement" with *no proposed* COLA indexing for Subpart C streams *only* because of the way Congress has "cabined" the CRB Judges to "must publish" wildly flawed proposals, such as this Subpart C Settlement.

Moreover, these new "laws" (or proposed settlements) are re-written by these Same un-elected, self-dealing Parties through §385 Regulation Submissions over the years, and MLC lobbying, obsessively price-fixing all their U.S. songwriter and

publisher *competitors*, and with *zero rates for all <u>our sales</u>*, that they have legislated out of existence with free "offline listening" downloads, first using the *free* Subpart C "Limited Download" for over 20 years, which I pray Your Honors can make *paid*.

For years the Parties have also treated the Offline Download and Limited Download, as a "throw away", "de minimis", "inconsequential", and "incidental" digital phonorecord delivery, not to be paid the lawful download penny rate.

What is amazing to GEO is the Parties have assigned the <u>eligible interactive</u> <u>stream</u> the <u>exact same alleged "value" and "use"</u> as the <u>eligible limited download</u>, yet these are two different configurations really, and at totally different rates of 12 cents and \$.00012 cents, and this is the issue to GEO.

It's also ironic that this download and stream are in the <u>exact same code</u> sections pursuant to  $\S 385.2$ , and reproducing the exact same songs, same copyrights, same licensees, same licensers, same Services, and the same uses under  $\S 115$ , et al.

As a songwriter, it's when the Parties give the "eligible limited download" the exact same value as an "eligible interactive stream" in Subpart C, this is what is epic to any songwriter when they find out their download only gets \$.00012 too?

Then the Parties tell songwriters and competitor publishers to not every ask to be *paid 9.1 cents* for their "Eligible Download", it's now just a "transmission", yet "Download" is right there in the title? Then the Parties oddly remove the word "download" from the very definition of "Eligible Limited Download", and I can't keep up with the wordplay shell games, but this is the problem for songwriters and this constant definition changing also demonstrates undue influence and self-dealing.

So, to GEO this is where the legal line is drawn, where a download is being used as a download, but illegally being "paid" or valued as a stream.

This is a great example of how *all* songwriters and *all* RCP's competitors are "subject to" these arbitrary and capricious "voluntary settlements" by the Parties.

It's also not Your Honors' fault whatsoever, it's the Parties' who take advantage of their own arbitrary and capricious "proposed settlements" — proposing CPI-U inflation indexing for songwriters one day in their WDS, then the next day's proposal has no CPI-U inflation indexing in their WDS whatsoever? This is where the arbitrary and capricious part originates, with all the Parties and their counsel.

The Parties not wanting to bear the COLA "costs" for songwriters, while the 3 record labels enjoy a COLA indexing for sound recordings in Web V is also arbitrary, capricious, unexplained and unsupported by substantial evidence and unreasonable, as with this COLA issue for Subpart C Restricted and Eligible Limited Downloads, and any other relevant DPDs or downloads.

Most importantly, the real reason why the Parties and counsel minimize and diminish the Subpart C Downloads so horribly, is they know there is nothing incidental, nor inconsequential, nor throw away, or *de minimis* about any of these Subpart C Downloads and that is why their value is smeared and songwriters bullied out of their sales by these Parties and their counsel.

The real practical reality and truth is these manipulative Parties <u>could not</u>

<u>run their billion dollar businesses with out these free Subpart C Downloads</u>

<u>in the first place</u>, and why they have <u>hidden</u> them in Subpart C at "zero rates" for

20 years, far away from any *paid* Subpart B Permanent penny rate Download legalese.

What these Parties are really doing is illegally manipulating basic copyright law to extract real benefits to themselves, by giving away a songwriter's lawful sale as a free "offline listening" download, then paying them as a stream and not as a download, which is theft, and this has been going on since the beginning of streaming!

This is the very definition of an author's exclusive rights being "riddled with exceptions and limitations" as per former Register Ralph Oman's quote.

Why and how is a free "offline listening" <u>download</u> legally now a <u>transmission</u> or why is that free offline download given the <u>exact same value</u> as an interactive streaming "play" at \$.00012 cents, and not the lawful 9.1 cents, now 12, per song?

These *are* the exceptions and limitations that have poisoned the Copyright Act and GEO respectfully submits must be immediately repealed and repaired.

It's these exceptions and limitations that strip the song of *all* it's value, that is supposed to be "secure", and it's *only* "for a limited time", which is the point of a free offline listening download for 20 years is that 3 companies have the legal ability to *simply sabotage all their competitors' sales income* with a "zero rate" download, they created, by manipulating the terms and definitions in the compulsory license.

Therefore, the 2022 Subpart B COLA inflation indexing and no static rates ruling for Downloads is still extremely relevant and great precedent for Your Honors to add a COLA indexing to all Subpart C Downloads.

As far as the PCLS, GEO is not so opposed to the "zero rate" for *only* the PCLS, it's paid, what GEO is opposed to is doing it through the Eligible Limited Download category, and not just declaring a "zero rate" for the PCLS all by itself.

In other words, do we have to have an exemption to the Eligible Limited Download, or can the exemption only apply to the PCLS itself, and not the Eligible?

If the "zero rate" is applied to the PCLS by itself, not the Eligible Limited Download category at all, that would be fine. However, the "zero rate" is now an exception to the Eligible Limited Download category, and seems like an excuse to change the Eligible definition for ulterior motives, once again to the Parties benefit.

This may be splitting hairs, and what GEO proposes may not be legally possible or proper. The Copyright Owners may also have the best way to set the zero rate for the PCLS, however, GEO is opposed to the method proposed by the Parties after reading all the other definition changes they made to Restricted Downloads and to Eligible Limited Downloads, et al. So, this particular definition change seems like another way for the Parties to entwine other connected new definitions to their benefit, like the Restricted Download definition, and others they proposed where they changed their own meaning from "exclude", to "include" to further game the Copyright Act in their favor. I know it seems like a stretch, but experience says they are using this new exception and limitation to Eligible Limited Downloads, and not just for PLCS, to benefit themselves in the future, or possibly keep Offline Downloads free, or other rates low, static, or free?

#### KEEPING SONGWRITER'S CONFUSED ABOUT STREAMING AND RATES

One very important quick note and practical reality I would like to briefly raise to Your Honors specifically is songwriters and their layman business partners need to be able to understand *all* these music royalty categories, and *mainly rates* for each streaming activity and definitions, in simple and basic terms, and no songwriter can understand them in the first place, much less now. I'm still lost.

What is the per-play rate for an eligible limited download? Nobody knows?

Most songwriters have also never heard of the Copyright Royalty Board and these streaming calculations are beyond comprehension, so there is no way songwriters will ever understand these rates, plus these rates are too buried in complex economic formulas and legal definitions that always intentionally change.

It's also not an education problem for songwriters either, and I realize the legal complexity is necessary to a large degree, I get it, but it's so unbelievably complicated and the language is so far removed from songwriters who this compulsory license is *supposed to benefit*, it's so far beyond any kind of simplicity or practical value too, that songwriters need and deserve.

That is also not Your Honors' fault either but the Parties making it as intentionally difficult to understand as they possibly can in their titled proposals.

Plus as streaming payouts get lower for songwriters, the lost sale should not be treated as a throw away, inconsequential, a *de minimis* configuration, or "lesser".

So, these rate proceedings only benefits *these* Parties, 12 to 14 corporations and counsel who run the show and control their <u>competitors sales</u> and price-fix their

rates through the compulsory license. All the while they *all do direct deals* with end runs and side deals and extra terms, get their legal fees paid for, benefit from stock equity, their 58% percent of revenue, late fees if an NMPA member, black boxes based on marketshare, no MLC terminations in perpetuity, and free offline listening downloads with no payments to songwriters and competitor publishers for 20 years.

So, in the end, **no songwriter will ever understand the legalese,** the 15 step royalty pool formulas, constantly changing definitions, but nobody else can, even experienced music attorneys have never heard of a limited download, much less an eligible limited download or Restricted download, or care.

### CAN THE CRB MAKE PURCHASED CONTENT A ZERO RATE WITHOUT MAKING THE EXEMPTION TO ELIGIBLE LIMITED DOWNLOADS?

As mentioned above, in regards to the proposed "zero rate" exemption or exception for the §385.2 Eligible Limited Download for *only* the Purchased Content Locker Service ("PCLS") as the best solution, and may still be, I wanted to offer the other solution if legally possible for Your Honors to add the zero rate to *only* the PCLS, *outside* the Eligible Limited Download definition?

The PCLS probably should have a "zero rate" since the royalty is already paid for in theory, but I could also argue it's another give way to songwriters by 3 major record labels to sell more vinyl, since digital downloads are an entirely different configuration once again, given away for free.

#### **BACKGROUND**

In their December 30, 2022, Subpart C Final Rule<sup>12</sup> the Judges intended to request additional briefing<sup>13</sup> to address rate-setting for §385.2 activity, et al.

On January 5, 2022, Order 65 Requesting Additional Briefing stated:

"The Judges observed that George Johnson, a participant who was not part of the settlement, appears to have requested a rate setting for activity that may not be addressed in the settlement, which he describes as an "unlimited limited download." The Judges stated their intention to request additional briefing from the participants as to whether and how this proceeding may address such activity. Id. at 80453 n.22."

The Judges made similar comments on December 30, 2022, under "Mr. Johnson's Opposition to the Settlement" on Page (80452) and Footnote 16,

"GEO also includes alternative rate proposals and urges the Judges to abolish what he refers to as a "free limited download loophole" or a "free and unlimited limited downloads loophole." *Id* at 2, 3. GEO further addresses this matter as an element within his WDS which proposes to plug the free and unlimited limited downloads loophole. *Id.* at 2, 11-15." (See Footnote 16)

(Footnote 16) "GEO's opposition to the "free and unlimited limited downloads loophole" may, on its face, appear somewhat vague. However, GEO's proposal appears to relate to an issue and proposal raised more precisely in Copyright Owners' WDS, intended to close a hole in the terms that could be seen as leaving some uses without a rate. Restricted Downloads have been defined as any downloads that are not permanent, including Eligible Limited Downloads. However, past regulations (and seemingly those set forth in the Settlement) do not provide a rate for Restricted Downloads. Copyright Owners' WDS proposed revising the definitions to maintain the allowance for zero rate Restricted Downloads

 $<sup>^{12}</sup>$  <a href="https://app.crb.gov/document/download/27410">https://app.crb.gov/document/download/27410</a> December 30, 2022, Subpart C Final Rule. 87 Fed. Reg. 80448 (Dec. 30, 2022)

<sup>&</sup>lt;sup>13</sup> Footnote 22, "The Judges observe that GEO appears to have requested a rate setting for activity that may not be addressed in the Settlement, which he describes as an "unlimited limited download." The Judges intend to request additional briefing from the Participants as to whether and how this proceeding may address such activity." December 30, 2022.

solely in connection with Purchased Content Locker Services and set a rate for other Restricted Downloads equal to the penny rate for Permanent Downloads. Copyright Owners WDS at 23-24."

The "Copyright Owners" seem to want a zero rate for the only "locker service" that uses offline listening, by way of the free §385.2 Eligible Limited Download.

GEO is also unclear what is meant by the phrase "set a rate for <u>other</u>", meaning what "other" Restricted categories are there left? How many are there?

#### **5 ARGUMENTS TO REPEAL FREE OFFLINE DOWNLOADS**

Initial arguments and good reasons to repeal free offline downloads are:

- 1. This longtime free limited download in any form, now new "offline download" definition, is no longer just a "transmission" DPD, but a full Digital Phonorecord Delivery DPD download, made available, a local private copy, repeatedly played anytime, meeting all legal definitions of a paid permanent download at the penny rate, no longer "limited", nor incidental by any definition, but still a "throw away" here.
- The Parties are clearly using this disparity in the law, law they all essentially wrote and re-write to this day to benefit themselves and the Services. All Parties have masterfully managed to keep the Limited Download, now free Offline Listening in place, and at a "zero rate" for 22 years — so that is the <u>loophole</u>. The Parties also rewriting the Limited or Offline Download copyright law for 22 years inside the Copyright Office to rob songwriters of their exclusive rights, income, rates, terms, profits, et al., is truly brilliant in an evil record label kind of way. This intentional loophole also allows Apple to give away 100,000 free downloads (songs - copyrights - sales) per-customer, offline, under the guise of a compulsory license, yet Apple has no right to give anybody's sale or download away, yet they do, and yet this use is not seen as an economic problem for songwriters to Apple or any of the Parties, in fact, it's a premeditated plan to defraud all songwriters and competitor music publishers by sabotaging all their competitors sales in an abuse of the compulsory license

privilege they should now lose or be sanctioned. The Parties have no authority to steal our sales under the compulsory license, under the §385.2 Eligible Limited Download, Offline Listening, nor the old original "Limited Download" version under §385.10, .11, et al.

- 3. A "zero rate" download is most certainly not a *willing buyer*, *willing seller* arrangement ("WBWS"), nor simulating a free market, with Same Parties, plus, WBWS has never been *put into "effect"* as promised by Participants lobbying for the MMA<sup>14</sup>. This price-fixing of competitors by Participants is the nature of the compulsory license process, but the price-fixing of competitors by Participants at "zero rates" is beyond beyond the pale, and for *all* music copyrights is wrong.
- 4. NMPA and NSAI, and now all the Parties, have changed and replaced the definitions of Restricted Download, Purchased Content Locker Services, Limited Download and now Eligible Limited Download so many times, they are not only unrecognizable, but the opposite of what the old definition was or was intended to mean to protect songwriters, now the Parties have re-written the Regulations to only their advantage and the most un-level playing field imaginable.

<sup>&</sup>lt;sup>14</sup> The Music Modernization Act ("MMA") which was originally *my idea* to do a "songwriter's bill" in April of 2013, but the Grammy "advocacy" wing executives heard of my idea, said "George what a great idea, I can't believe we never thought of that," then threatened me and screamed at me for having the idea and telling my Congressman. They stole the whole idea, called it the SEA Songwriter Equity Act, *but created a new compulsory license* on songwriters at \$.00012 per stream, which turned into the MMA. Then Daryl Friedman, former CEO Neil "Step Up" Portnow, Todd Dupler, and Susan Stewart *cancelled* me out of the Grammys after 15 years for *thinking of the idea*. But as Mr. Daniel Walsh told me, The Grammys "never thought of" helping songwriters, but GEO did. Daryl Friedman attacked, threatened, and screamed at me for simply telling his lobbyist I had a great idea and met with my Congressman. I'm not the only person the Grammys and Mr. Friedman have done this to, but in my case in perfect coordination with Ms. Stewart but mostly Mr. Portnow.

#### NMPA & NSAI OCTOBER 2021 WDS RESTRICTED DOWNLOAD REDLINE

On Page B-8 of Appendix B of NMPA and NSAI's Written Direct Statement on October 13, 2021, a.) no songwriter can understand it, much less most music attorneys, b.) they've changed their definitions so much it's hard to know what they now mean, c.) the next few definitions seem to be the opposite or their original meaning at times and it's been re-arranged too many times by Pryor Cashman, NMPA, RIAA Counsel, and now the Services. GEO is grateful to Your Honors for raising this Restricted activity to Participants since it's extremely important and needs further examination by Your Honors and the Register to set fair regulations.

In Appendix B on Page B-8 of NMPA and NSAI's **REDLINED** Regulations:

Restricted Download means a Digital Phonorecord Delivery in a form that cannot be retained and replayed on a permanent basis. The term Restricted Download includes an Eligible Limited Download. (underlines added)

Restricted Download means a Digital Phonorecord Delivery in a form that cannot be retained and replayed on a permanent basis. The term Restricted Download includes an Eligible Limited Download.

Restricted Download means a Digital Phonorecord Delivery in a form that cannot that remains accessible for future listening, but may not be retained and replayed played on a permanent basis. The term Restricted Download includes anexcludes Eligible Limited Download Downloads and Eligible Interactive Streams. 15

In Appendix A on Page A-5<sup>16</sup> is the *new* revised definition reads as follows;

Restricted Download means a Digital Phonorecord Delivery that remains accessible for future listening, but may not be retained and played on a permanent basis. The term Restricted Download excludes Eligible Limited Downloads and Eligible Interactive Streams. (underlines added)

<sup>&</sup>lt;sup>15</sup> https://app.crb.gov/document/download/25858 October 13, 2021, Page B-8 of Appendix B of NMPA and NSAI's Written Direct Statement.

<sup>&</sup>lt;sup>16</sup> https://app.crb.gov/document/download/25858 October 13, 2021, Page A-4 of Appendix A of NMPA and NSAI's Written Direct Statement.

#### NMPA AND NSAI OCTOBER 2021 WDS PURCHASED CONTENT LOCKER

In Appendix B on Page B-6 of NMPA and NSAI's **REDLINED** Regulations:

Purchased Content Locker Service means a Locker Service made available to End User purchasers of an Offering providing digital access to sound recordings of musical works in the form of Eligible Interactive Streams, Permanent Downloads, Ringtones, or physical phonorecords or Restricted Downloads at no incremental charge above the otherwise applicable purchase price of the Permanent digital downloads, Ringtones, or physical phonorecords acquired, for which the Service has reasonably determined that the End User has purchased from a qualifying seller. With a phonorecords of the applicable sound recordings prior to the End User's first request to have access to the sound recordings by means of the Service. The term Purchased Content Locker Service, an End User may receive one or more additional phonorecords of the purchased sound recordings of musical works in the form of Permanent Downloads or Ringtones at the time of purchase, or subsequently have digital access to the purchased sound recordings of musical works in the form of Eligible Interactive Streams, additional Permanent Downloads, Restricted Downloads, or Ringtones. does not mean any part of a Service Provider's products otherwise meeting this definition, but as to which the Service Provider has not obtained a section 115 license. 17

In Appendix A on Page A-418 are the new revised definition reads as follows;

Purchased Content Locker Service means an Offering providing digital access to sound recordings of musical works in the form of Eligible Interactive Streams, Permanent Downloads, or Restricted Downloads at no incremental charge above the otherwise applicable purchase price of the digital downloads, or physical phonorecords, for which the Service has reasonably determined that the End User has purchased from a qualifying seller phonorecords of the applicable sound recordings prior to the End User's first request to have access to the sound recordings by means of the Service. The term Purchased Content Locker Service does not mean any part of a Service Provider's products otherwise meeting this definition, but as to which the Service Provider has not obtained a section 115 license.

<sup>&</sup>lt;sup>17</sup> Page B-6 and B-7 Copyright Owners' Proposed Rates and Terms Dkt No. 21-CRB-0001-PR (2023-2027)

<sup>&</sup>lt;sup>18</sup> https://app.crb.gov/document/download/25858 October 13, 2021, Page A-4 of Appendix A of NMPA and NSAI's Written Direct Statement.

#### NMPA & NSAI OCTOBER 2021 WDS ELIGIBLE LIMITED REDLINE

On Page B-2 of Appendix B of NMPA and NSAI's Written Direct Statement;

Eligible Limited Download means athe transmission of a sound recording embodying a musical work to an End User of a digital phonorecord under 17 U.S.C. 115(c)(3)(C) and (D) that results in aspecifically identifiable, protected and tethered (but obfuscated) Digital Phonorecord Delivery of that sound recording to a Subscriber that is only accessible for listening for—an amount of time not to exceed thirty-one (31) days from the time of the Subscriber's latest transmission. Such time period may be extended up to another 31 days each time a Subscriber makes a specific request through a live network connection.

(1) An amount of time not to exceed one month from the time of the transmission (unless the Licensee, in lieu of retransmitting the same sound recording as another Eligible Limited Download, separately, and upon specific request of the End User made through a live network connection, reauthorizes use for another time period not to exceed one month), or in the case of a subscription plan, a period of time following the end of the applicable subscription no longer than a subscription renewal period or three months, whichever is shorter; or

(2) A number of times not to exceed 12 (unless the Licensee, in lieu of retransmitting the same sound recording as another Eligible Limited Download, separately, and upon specific request of the End User made through a live network connection, reauthorizes use of another series of 12 or fewer plays), or in the case of a subscription transmission, 12 times after the end of the applicable subscription.

In Appendix A on Page A-2<sup>19</sup> is the new revised definition reads as follows;

Eligible Limited Download means the transmission of a specifically identifiable, protected and tethered (but obfuscated) Digital Phonorecord Delivery to a Subscriber that is only accessible for listening for an amount of time not to exceed thirty-one (31) days from the time of the Subscriber's latest transmission. Such time period may be extended up to another 31 days each time a Subscriber makes a specific request through a live network connection.

<sup>&</sup>lt;sup>19</sup> https://app.crb.gov/document/download/25858 October 13, 2021, Page A-2 of Appendix A of NMPA and NSAI's Written Direct Statement.

#### NMPA & NSAI OCTOBER 2021 WDS LIMITED DOWNLOAD REPLACED

This shows the replacement of the "limited download", with the new and improved "eligible limited" revision by NMPA and NSAI's counsel in their October 13, 2022 Written Direct Statement ("WDS").

The new revised definition reads as follows of the MMA on July 08, 2019.

"iii. Remove the term "limited downloads" and add in its place the term "Eligible Limited Downloads"; and"<sup>20</sup>

**Limited Download** (16) — a Limited Download *is* also a Restricted Download and "means a digital "transmission...<u>in the form of a download.</u>" "only for a limited amount of time or specified number of times"

How many times is the question? Limited Download by itself defines it as:

(16) LIMITED DOWNLOAD —The term "limited download" means a digital transmission of a sound recording of a musical work in the form of a download, where such sound recording is accessible for listening only for a limited amount of time or specified number of times.<sup>21</sup>

https://www.federalregister.gov/documents/2019/07/08/2019-13292/copyright-royalty-board-regulations-regarding-procedures-for-determination-and-allocation-of July 98, 2019 Bob Goodlatte Music Modernization Act, Mechanical License Collective CRB Regulations Regarding Procedures.

 $<sup>^{21}</sup>$  https://www.govinfo.gov/content/pkg/USCODE-2021-title17/pdf/USCODE-2021-title17-chap1-sec115.pdf Title 17 U.S.C.

The above Redline changes show significant differences in the basic meanings in the 3 main definitions of the following terms including the 1.) Restricted Download, 2.) Purchased Content Locker Services 3.) Eligible Limited Download, plus the Limited Download Replacement replacement, but Eligible was moved to it's own category it appears.

All these changes seem normal to counsel, but are disturbing to GEO for all of the good reasons and good cause in this brief. All these Redlined definitions are very difficult to understand to a any reasonable person, any layman, but to any songwriter, and we pray Your Honors can clarify all these Redline definitions to remove all their legal loopholes.

#### §106 TO (1) REPRODUCE AND (3) DISTRIBUTE PHONORECORDS

Next to Article 1, §8, Cl.8 of the Constitution, Section §106 of the U.S. Copyright Act is the most fundamental copyright law protections available which states, "the owner of copyright under this title has the exclusive rights to do and to authorize any of the following," (1) to reproduce the copyrighted work in phonorecord and (3) to distribute copies or phonorecords of the copyrighted work to the public by sale.<sup>22</sup> GEO still has the absolute right to distribute phonorecords "to the public by sale" which mean no person or corporation, or even government has the right to take away my right to distribute "to the public by sale", by rewriting the law to stop our sale for their access model.

#### 106. Exclusive rights in copyrighted works

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
- (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
- (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
- (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

<sup>&</sup>lt;sup>22</sup> https://www.copyright.gov/title17/92chap1.html#106 Section §106(1), (3), (4), & (5)

#### CLARIFICATION OF SUBPART C DOWNLOAD RATE-SETTING, ET AL.

GEO respectfully requests Your Honors for clarification on legal regulations and new rate-setting procedures arising from the Parties' Subpart C Final Rule.<sup>23</sup>

- 1. Is a zero download rate for free "offline listening" reasonable?
- 2. Is the zero rate *lawful* as offline downloads as per the CRB code or federal law?
- 3. Is a zero download rate set by competitors lawful as per the CRB code or law?
- 4. Is a zero download rate *reasonable* for songwriters *bound* by compulsory license?
- 5. Is a zero download rate *due process* for U.S. songwriters? Arbitrary?
- 6. Should any new "Restricted" rates and activity be set by briefing or by hearing?
- 7. Must Subpart C "Restricted" download "zero rates" now be set for the first time?
- 8. Must all configurations/categories of Subpart C "download" uses be set de novo?
- 9. Is a no "static" rate now required, and since a "zero rate" for 22 years is static?
- 10. If no "static" rate is now precedent for downloads, is *inflation* indexing required?
- 11. Would the absence of COLA indexing for §385.2, or Restricted, also be arbitrary?
- 12. Could inflation indexing for §385.2 be retroactive for 22 years, or partial years?
- 13. Must all other "no rate" Subpart C Restricted downloads also have a rate set?
- 14. What other authority allows a "zero rate" for a download or DPD use?
- 15. Do "zero rate" proposals created by *competitors* void "secure for limited times"?
- 16. Should Promotional Downloads or "Offerings" at "zero rates" be set de novo?
- 17. Is there an actual value for limited downloads in the royalty pool calculations?
- 18. Should Eligible Limited Downloads be counted as Downloads or Streams?
- 19. Can the new 44% *Phono III* benchmark in *value* be applied to §385.2, et al.?

<sup>&</sup>lt;sup>23</sup> These are general questions GEO hopes Your Honors weigh in deliberations and orders.

#### 5 STEP AMENDED SUBPART C RATE PROPOSAL - §385.2 REGULATION

- 1. Most urgently, *repeal* the current §385.2 "eligible limited download" definition, term, category, and configuration from the Subpart C *regulations* altogether,
  - A. since it's mass run of the mill copyright infringement in it's current form, and
  - B. so that download sales no longer substitute for streaming as a *de minimus*, and other, like Subpart B configurations sales for physical vinyl, CDs, et al.
- 2. After repealing the "eligible limited" term, it appears the best and only reasonable solution would be to simply replace that term with "permanent" with the same definition as a voluntary Subpart B Permanent Download (all offline listening would now be paid) using the current 12 cent penny rate and CPI inflation indexing. Create a new Subpart C Permanent Download if needed.
- 3. Adding a "disappearing" BUY button next to *every* song, album, and playlist to *every* Service would be the most logical and eloquent solution to payment. The disappearing button is mainly for aesthetics on the app, but to indicate the BUY.
- 4. The only other problem left would be rate setting for *all* the other Subpart C configurations, ie. Restricted Downloads, or Incidental Downloads, the regular Limited Download, even *de novo* Promotional Offering Downloads should not be ignored under the Restricted Download umbrella configuration. Clarifying these legal issues and proposals for any additional rate-setting hearings or additional briefings is very important for all songwriters and the purpose of this brief.
- 5. The CRB must stop the Parties from wasting all their competitors' sales income.

#### FREE LIMITED DOWNLOADS ARE PAID PERMANENT DOWNLOADS

There is no difference between offline listening of an "eligible limited" download under §385.2 and the definition of a Permanent Download (24), on Page 99 of the October 21, 2021 updated definition 17 U.S.C. 115(e) which is.

(24) PERMANENT DOWNLOAD.—The term "permanent download" means a digital transmission of a sound recording of a musical work in the form of a download, where such sound recording is accessible for listening without restriction as to the amount of time or number of times it may be accessed.<sup>24</sup> (underline added)

So, a Limited Download, but specifically the §385.2 Eligible Limited Download that is used for "offline listening", becomes the very definition of a paid Permanent Download according to the Copyright Act's own Permanent Download definition since the sound recording of a musical work "is accessible for listening without restriction as to the amount of time or number of times it may be accessed."

Yet a Limited Download is defined as only a limited amount of time or specific number of times, yet offline listening is a full Permanent Download to the end user who can listen whenever they want, for however long they want, and with no restriction to the number of times they play a musical work, yet it's not paid:

(16) LIMITED DOWNLOAD.—The term "limited download" means a digital transmission of a sound recording of a musical work in the form of a download, where such sound recording is accessible for listening only for a limited amount of time or specified number of times. (underline added)

So, the Parties have found a way to get out of paying *all* songwriters and publishers for the use of *all* paid Permanent downloads, *disguised* as a limited use.

<sup>&</sup>lt;sup>24</sup> 17 U.S.C. 115(e) October 12, 2021 Version on Gov Info Gov.

#### LIMITED DOWNLOAD NOW PRIVATE COPY, NOT JUST TRANSMISSION

I Googled the Limited Download legal issue and found a Bloomberg Law article from October 18, 2017, written by Senior Legal Editor Mr. Anandashankar Mazumdar, Esq.. While not caselaw or rate court precedent, he does eloquently frame and summarize some fundamental legal issues as an attorney who is familiar with the CRB process and copyright law. Mr. Mazumdar correctly defines the legal terms and configurations, correctly implicating the reproduction and distribution rights which are relevant here today at a proposed "zero rate" here in 2023.

In short, Limited Downloads are stored, private copies *after* transmission, can be listened to endlessly, anywhere, and are definite *deliveries* of a phonorecord DPD that clearly implicates the §106 reproduction and distribution exclusive rights.

The second form of on-demand delivery is what traditionally has been referred to as "limited" or "conditional" downloads. Here, the service delivers a full copy of the song that remains resident on the user's device, **not unlike a download offered by iTunes or Amazon** except that the track is deleted and/or disabled when the user's subscription ends (and hence is "limited" rather than permanent). When the user chooses to listen to that song, she listens **from that local copy**, not from a stream delivered by the service. (This innovation was originally intended to accommodate bandwidth limitations and slow internet streaming speeds, and now allows users to avoid data charges and to enjoy their playlists while on subways, planes, and in other offline locations.) (**bold added**)

It is imperative to separate these two activities in any analysis of copyright license requirements. Limited downloads constitute private copies stored on user devices that can be listened to repeatedly after being transmitted. They are deliveries of a phonorecord—DPDs—that clearly implicate the reproduction and distribution rights. (They do *not* implicate the performance right, but that's a topic for another day.)"25 (bold added)

https://news.bloomberglaw.com/ip-law/dont-believe-the-hype-spotify-is-right-to-challenge-mechanical-license-demands-for-interactive-streaming October 18, 2017, Bloomberg Law, Don't Believe The Hype, by Senior Editor Anandashankar Mazumdar.

Again, the limited download *is* a permanent download *after* transmission that *is not paid* for it's offline listening uses, yet offline listening meets the definitions of a Subpart B paid Permanent Download, repeatedly listened to from a local copy.

It turns out Mr now works at the Copyright Office of Public Affairs<sup>26</sup>.

One last important factor, the writer says "(and hence is "limited" rather than permanent)", which makes the reader, but what most songwriters think, or any reasonable person would think — that the word "limited" means a "limited permanent download" — and to us music copyright fans, permanent download clearly implicates Subpart B. This may seem like no big deal, but from the songwriter side, it's a very clever trick and play on words that is deceiving and very relevant to this §385 issue since a "limited" Subpart B download doesn't exist.

For years I could never understand why the limited download was in Subpart C until I realized it was **not** a legal offshoot of a Subpart B Permanent Download, but a new, free download *creation* of Subpart C. I then was devastated to learn the limited download has no *value* in the 15.1% percent royalty pool calculations, and no *rate* for 22 years — plus the fact that the Limited Download is lumped in the below-market 15.1% headline percentage of revenue pool calculation, which is horrible and when the RCPs take 58% percent. I and most people don't really notice it, but it's also hidden in plain sight right there in black and white for 22 years. So, using "limited" with "permanent download" in Subpart B tricks the reader, like "Copyright Owners" who *own no copyrights*. The point is Mr. Mazumdar rightly

<sup>&</sup>lt;sup>26</sup> https://blogs.loc.gov/copyright/author/amazu/Mr. Anandashankar Mazumdar, Esq.,

says limited comes from permanent, and he is correct, and GEO's argument, that the "limited" term *did* come from a Subpart B "limited" Permanent Download, but where we are both "wrong", is since the Limited Download lives free in Subpart C.

The reason is the RIAA, NMPA, RCPs, DiMA, et al., did a bait and switch and stuck this "Limited" Permanent Download in Subpart C where nobody could see or find it, and brilliantly for 22 years, but it's copyright infringement inside the Copyright Act and really the No. 1 issue in these proceedings: the Parties using the compulsory license to by using their marketplace share to sabotaging their competitors' sales, not just use the compulsory license to set a reasonable interactive streaming rate for themselves and competitors.

In 1998 to 2001, Mr. Cary Sherman of the RIAA, his counsel Mr. Englund, and others decided they would re-name this newly created Subpart B style raw Digital Phonorecord Delivery or ("DPD") or download, an "incidental" download or "incidental digital download delivery", which in reality it's still just a paid Permanent Download or non-incidental DPD, but

But as Mr. Sherman and Mr. Englund wrote at the time into his settlement agreements that they, the RIAA and RCPs, had to help the Services get their streaming business models off the ground, with no rate set for both interactive streaming nor limited downloads, no time frame to when an actually rate would be set, and no accountability or responsibility for not setting one. This is simultaneously amazing they got away with it, but terrifying and explains

everything as to *how* the paid download *was forced out* by the Parties for a newly created free "limited download".

Where does it say in the compulsory license I have to give up all my sales at "zero rates" if the Parties re-name it to "eligible limited"?

The Parties will claim that the Limited Download is not a Permanent Download since all downloads are cancelled if an end user cancels their subscription.

But the problem with that argument is the customer still got the full benefit of the song, really the first time they heard it, so whether they subscribe for 2 months, 6 months, 1 year, or 5 years, the end user still got the benefit of that song, the offline listening benefits, and the full benefit of that song for the months and years they performed that song for free, and never paid a lawful mechanical under the compulsory license.

The Limited Download is simply a way to skirt the Copyright Law exclusive rights and ensure no cost to the record companies which I think we can now stipulate the *de minimis* songwriter hierarchy being their own 3 major publishing combines and all their songwriters are only "a cost" to the 3 major record labels and under their funding and control. The entire purpose of a major record company is not have no costs, and keep the ones you do stable and compliant. After that, make sure that stock prices, shareholder equity, and bonuses and salaries are on the rise, but all songwriters at \$.00012 per stream with no sales under §385.2.

#### MCNA, SGA, SLC, ET AL, SUPPORT FOR LIMITED DOWNLOAD ISSUE

In the November 7, 2022 Comments<sup>27</sup> by MCNA, SGA, SLC's, music creators Rick Carnes and Ashley Irwin, and other music creator organizations in opposition to the Subpart C proposed Settlement, showed support for the "limited download" issue which GEO is very grateful. They joined with music creator organization worldwide representing hundreds of thousands of working and professional songwriters, publishers, DIY self-publishers, composers, lyricists, and investors.

Footnote "8 Our support for the comments and submissions of Phonorecords IV participant George Johnson extends beyond his suggestions regarding cost-of-living increases and related rate-setting matters, and includes his references to the limited download/buy button issue and his points related to the limited nature of copyright protection in both time and scope pursuant to Article I Section 8 of the US Constitution, which make copyright matters more urgent to timely resolve."

GEO also joined with all of the above mentioned MCNA "family" of creators worldwide<sup>28</sup> and in all of North America and the United States in my December 7, 2022 Comments by GEO on the Subpart C proposed settlement.

<sup>&</sup>lt;sup>27</sup> https://app.crb.gov/document/download/27358 November 7, 2022, Subpart C Comments Submitted by the Songwriters Guild of America, Inc., the Society of Composers & Lyricists, Music Creators North America, and the individual music creators Rick Carnes and Ashley Irwin, and endorsed by the Music Creator Groups Noted on the Appended Listing.

<sup>&</sup>lt;sup>28</sup> GEO also joined with the affiliated organizations of the MCNA which were also crucial to the declination of the March 30, 2022 Subpart B proposed rule. These affiliated organizations are the Alliance for Women Film Composers (AWFC). <a href="https://theawfc.com">https://theawfc.com</a>, Screen Composers Guild of Canada (SCGC), <a href="https://screencomposers.ca">https://screencomposers.ca</a>, Songwriters Association of Canada (SAC), <a href="https://www.songwriters.ca">https://www.songwriters.ca</a>, Asia-Pacific Music Creators Alliance (APMA), <a href="https://apmaciam.wixsite.com/home/news">https://apmaciam.wixsite.com/home/news</a>, Music Answers (M.A.), <a href="https://www.nusicanswers.org">https://apmaciam.wixsite.com/home/news</a>, Music Answers (M.A.), <a href="https://www.nusicanswers.org">https://www.nusicanswers.org</a>, Fair Trade Music International (FTMI), <a href="https://www.fairtrademusicinternational.org/">https://www.pacsa.org</a>, and the Alliance of Latin American Composers & Authors (AlcaMusica) <a href="https://www.alcamusica.org">https://www.alcamusica.org</a>.

#### DE MINIMIS, THE INCONSEQUENTIAL DOWNLOAD

In Your Honors' rulings under "Royalties from Subpart B Configurations" on December 16, 2022, Subpart B Final Rule (76941) under Judges' Analysis and Conclusions (and also in your March 30, 2022, Declination Ruling on Page (18347)).

"The Judges find no reason in the record to depart from their previous finding that Royalties from Subpart B Configurations are not inconsequential to the rightsholders. Subpart B Configurations are qualitatively different from the digital streaming configurations; consequently, the Judges can and do set separate rates for the Subpart B Configurations. Even though the physical and "permanent" download products are different in character from streaming uses, the Judges cannot and do not treat them with any less care and attention. Subpart B Configurations, in particular vinyl recordings, are a significant source of income for section 115 rightsholders. The royalties they generate should not be treated as de minimis, or as a "throw away" negotiating chip to encourage better terms for streaming configurations." <sup>29</sup>

GEO argues this *de minimis* ruling now applies even more so to *all* Subpart C downloads including "restricted", "limited", "eligible limited", "incidental", or "incidental digital phonorecord delivery", et al. <u>A "zero rate" proposal by the Parties is as *de minimis* as a configuration can get</u>, and a *root cause* of 22 years of lost income and Permanent Download sales for *all* songwriters, to help an *access* model.

What this is is manipulating government regulations with a loophole to give away all *competitors*' download sales. Every word of the above *de minimis* ruling is applicable and relevant to this free and unlimited §385.2 Eligible Limited Download give away of all their competitors' sales, for 22 years, and §385.2 is nothing more than another loophole created by RIAA, NMPA, DiMA, and Mr. Englund since 1998,

<sup>&</sup>lt;sup>29</sup> <a href="https://app.crb.gov/document/download/27390">https://app.crb.gov/document/download/27390</a> December 16, 2022, Subpart B Final Rule at 12 Cents with CPI-U inflation Indexing, Federal Register (87 FR 76937)

et al.,. All of these Parties have literally managed this loophole thru dozens of rate proceedings, pre-CRB, to give away *all* of our millions of Permanent Downloads, songs, art, copyrights, sales, profits, for the *benefit* 3 major record labels and now 5 streaming Services.

I now jokingly refer to any Incidental Digital Phonorecord Delivery, Restricted Download, Limited Download, Eligible Download, or Promotional Download as an "Inconsequential Download", appropriately named *De Minimis*.

There would be no Subpart C Limited Download for 22 years if the Parties didn't have a payment or copyright infringement problem with the Offline Listening Download. It's why they turned it the limited download into an interactive stream.

To summarize this briefing, GEO respectfully proposes the best way to address such activity would be to *repeal* the 37 C.F.R. § 385.2 "Eligible Limited Download" then simply *replace* it with a Subpart B Permanent Download at the new penny rate with indexing. In other words, replace the term "eligible limited" with "permanent" so this free §106 reproduction is a paid Permanent Download.

If a new and separate rate must be set for a Subpart C Permanent download it should be set at the exact same 12 cent penny rate and CPI-U inflation indexing terms as it's Subpart B counterpart.

Otherwise setting *all* Subpart C Downloads at a Subpart B paid Permanent Download rate, except for the PCLS offering, that might be the best way in the end.

#### POSSIBLE CATEGORIES OF SUBPART C DOWNLOAD, ET AL.

Here's GEO's general list of possible categories, definitions, or configurations;

- 1. Eligible Limited Download ("ELD") in §385.2
- 2. Limited Download ("LD") from original in 2001 to MMA era, now gone
- 3. Restricted Download ("RD") and Limited may still be under Restricted
- 4. Promotional "Offering" Download ("POD") or promotional use
- 5. Digital Phonorecord Delivery ("DPD") definition of rateless Download
- 6. Incidental Download DPD ("IDPD") (See December 4, 1998 Petition)
- 7. New Paid Permanent Download ("PD") for Subpart C (if needed)

Furthermore, these 8 configurations or download categories are *all* frozen;

- a.) at zero cents, "zero rate", or "royalty free"
- b.) at a static rate,
- c.) with no COLA or CPI-U *inflation* indexing,
- d.) nor set *de novo* as per regulations
- e.) with no value increases like new 44% Subpart C benchmark
- f.) treated as a "throw away" or *de minimus* configurations
- g.) and the totality of all of the above, and combined for 22 years.

All this "no rate" or "zero rate" activity must have rates set for the very first time in 22 years, and for all the good reasons from, a. to g., and why these activities, categories, or configurations require de novo, non-static, and CPI-U indexed ratesetting with any value increases and the §385.2 loophole rescinded for our paid sale.

#### **CONCLUSION**

GEO respectfully submits this briefing and pray Your Honors can stop the Parties from **short circuiting the process** and voluntary settlement process **against all their competitors** by the Parties giving away *our* free sale disguised as a "restricted", "incidental", "inconsequential", "limited", "eligible limited", "promotional" download, or primarily "offline listening download", <u>paid as a stream</u>.

GEO respectfully submits Your Honors consider converting all Restricted Downloads and §385.2 Eligible Limited Downloads to full Paid Permanent Downloads like Subpart B, or simply repeal the §385.2 Eligible Limited Download in exchange for a full Paid Permanent Download for all Offline Listening Downloads, Restricted, and Eligible Limited Downloads. Then please look at DPDs.

De novo proceedings and first time rate setting for all Subpart C Download configurations is vital for all American songwriters and music publishers subject to the compulsory license.

As always, I hope Your Honors will be sympathetic to the issue of a layman like GEO providing proof to Copyright Judges on complicated matters of economics and law when the very people whose interests (and lives) are *burdened* by these rates and terms don't have the money to hire the very economists or lawyers needed to make that proof. As a layman making complex legal arguments with no law degree, I would respectfully add:

Baron Parke's Rule Law and Legal Definition:

"Baron Parke's rule is a principle of statutory construction that allows a judge to depart from a word's normal or literal meaning in order to *avoid some manifest absurdity*. Generally, while construing written instruments, a court should adhere to the grammatical and ordinary sense of the words. However, if the literal interpretation leads to an absurd or *unjust result*, or even to an *inconsistency within the statute itself*, *the statute should be interpreted* in a way that *avoids such a result* or inconsistency. This is also known as the Golden Rule." <sup>30</sup> (emphasis added)

While GEO's arguments are not those of a polished lawyer, they can be recast and distilled as legal arguments, which is the purpose of this Brief. See, e.g., Macklin v. Spector Freight Sys., 156 U.S. App. D.C. 69, 78, 478 F.2d 979, 988 (D.C. Cir. 1973) ("It should be remembered that the jurisdictional requirements we are applying here are not aimed at polished lawyers' pleadings, but rather at charges brought, initially, by laymen usually unassisted by attorneys. Thus it makes sense, in our view, to avoid reading them as Baron Parke might have, but rather to read them with considerably more latitude and with weight to the construction given them by the Commission in the matters it proceeds to investigate." (citation omitted)), disapproved on other grounds by Johnson v. Ry. Express Agency, 421 U.S. 454 (1975).

<sup>&</sup>lt;sup>30</sup> http://definitions.uslegal.com/. Baron Parke's Rule of Law and Legal Definition.

#### Respectfully,

By: <u>/s/ George D. Johnson</u>

George D. Johnson, Pro Se an individual songwriter and publisher d.b.a. George Johnson Music Publishing PO Box 22091

Nashville, TN 37202

E-mail: george@georgejohnson.com

Telephone: (615) 242-9999

George D. Johnson (GEO), an individual songwriter and music publisher d.b.a. George Johnson Music Publishing (GJMP) (formerly BMI)

Friday, January 20, 2023

#### **Proof of Delivery**

I hereby certify that on Friday, January 20, 2023, I provided a true and correct copy of the GEORGE JOHNSON'S ("GEO") AMENDED SUBPART C PROPOSAL AND RESPONSE TO CRB ORDER 65 REQUESTING ADDITIONAL BRIEFING ON RATE-SETTING FOR ALL RESTRICTED DOWNLOADS AND 37 C.F.R. § 385.2 ELIGIBLE LIMITED DOWNLOADS, WITH POSSIBLE REPEAL OF "FREE" UNLIMITED OFFLINE LISTENING DOWNLOAD LOOPHOLE OR NEW RATES FOR PAID PERMANENT, PLUS ADD "LIKE" COLA to the following:

Zisk, Brian, represented by Brian Zisk, served via E-Service at brianzisk@gmail.com

Apple Inc., represented by Mary C Mazzello, served via E-Service at mary.mazzello@kirkland.com

Amazon.com Services LLC, represented by Joshua D Branson, served via E-Service at jbranson@kellogghansen.com

Sony Music Entertainment, represented by Steven R. Englund, served via E-Service at senglund@jenner.com

Copyright Owners, represented by Benjamin K Semel, served via E-Service at Bsemel@pryorcashman.com

Spotify USA Inc., represented by Joseph Wetzel, served via E-Service at joe.wetzel@lw.com

Google LLC, represented by Gary R Greenstein, served via E-Service at ggreenstein@wsgr.com

Joint Record Company Participants, represented by Steven R. Englund, served via E-Service at senglund@jenner.com

Pandora Media, LLC, represented by Benjamin E. Marks, served via E-Service at benjamin.marks@weil.com

Warner Music Group Corp., represented by Steven R. Englund, served via E-Service at senglund@jenner.com

UMG Recordings, Inc., represented by Steven R. Englund, served via E-Service at senglund@jenner.com

Powell, David, represented by David Powell, served via E-Service at davidpowell008@yahoo.com

Signed: /s/ George D Johnson